

**HCEDA**

**EOPT**

**Economic Development  
Subcommittee Presentation**

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February 28, 2018

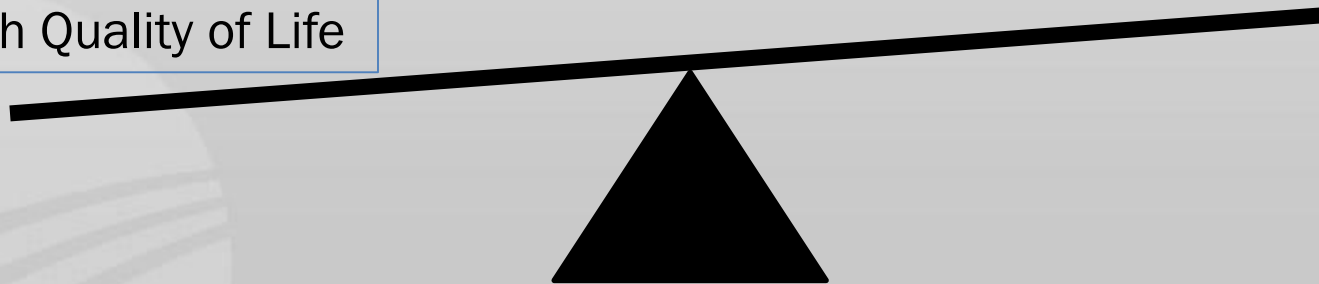
# Insights from HCEDA's New Strategic Plan

# Key Findings

## Strong Performance Faces Threats

### ASSETS

- High Income
- Highly Educated
- High Quality of Life



# Key Findings

## Strong Performance Faces Threats

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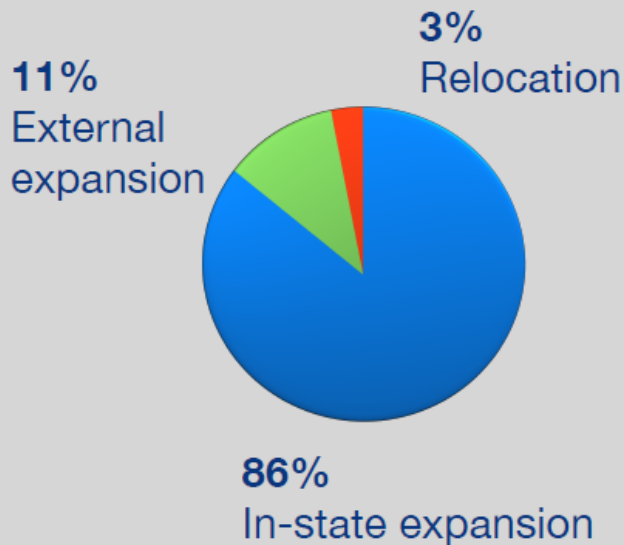
### THREATS

- Talent flight to Cities
- Lack of transit
- Reliance on Federal \$\$

# Disruption in Economic Development

## “Attraction Myth”

### Source of State Job Creation 1995-2013



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## Decline of Big Wins

### Major Projects 2000-2012

↓ **50%**

Plant expansions and relocations of 50+ jobs or \$1M+ investment,

# Middle Market is the Sweet Spot

## Scaleup and Middle Market 2009-2014

**1%** → **72%**

Of companies created of U.S. jobs

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These firms grew from **10 to 30**  
employees on average

# Howard County's Lack of Central Innovation Anchor

- The region suffers from low rates of business start-ups

## Low Firm Entry Rate 2009-2011

**23rd**

Baltimore rank, top 25 metros  
(6.5% rate)

**18th**

Washington rank, top 25 metros  
(7.8% rate)

# Howard County's Lack of Central Innovation Anchor

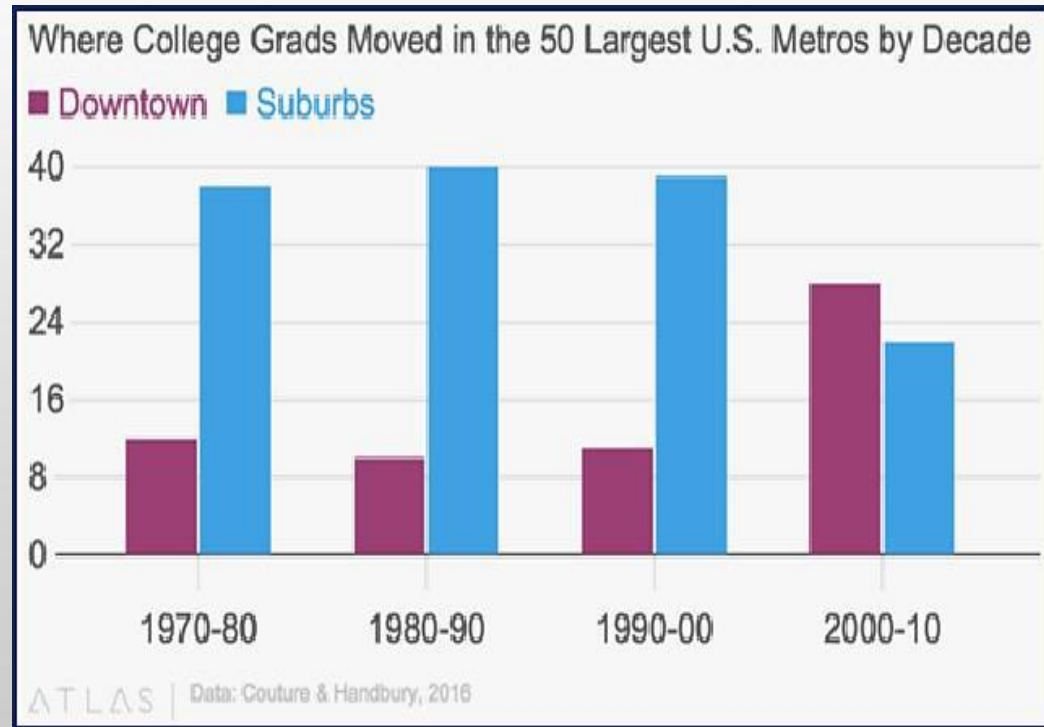
- There's a significant focus fostering start-ups across the country and region.





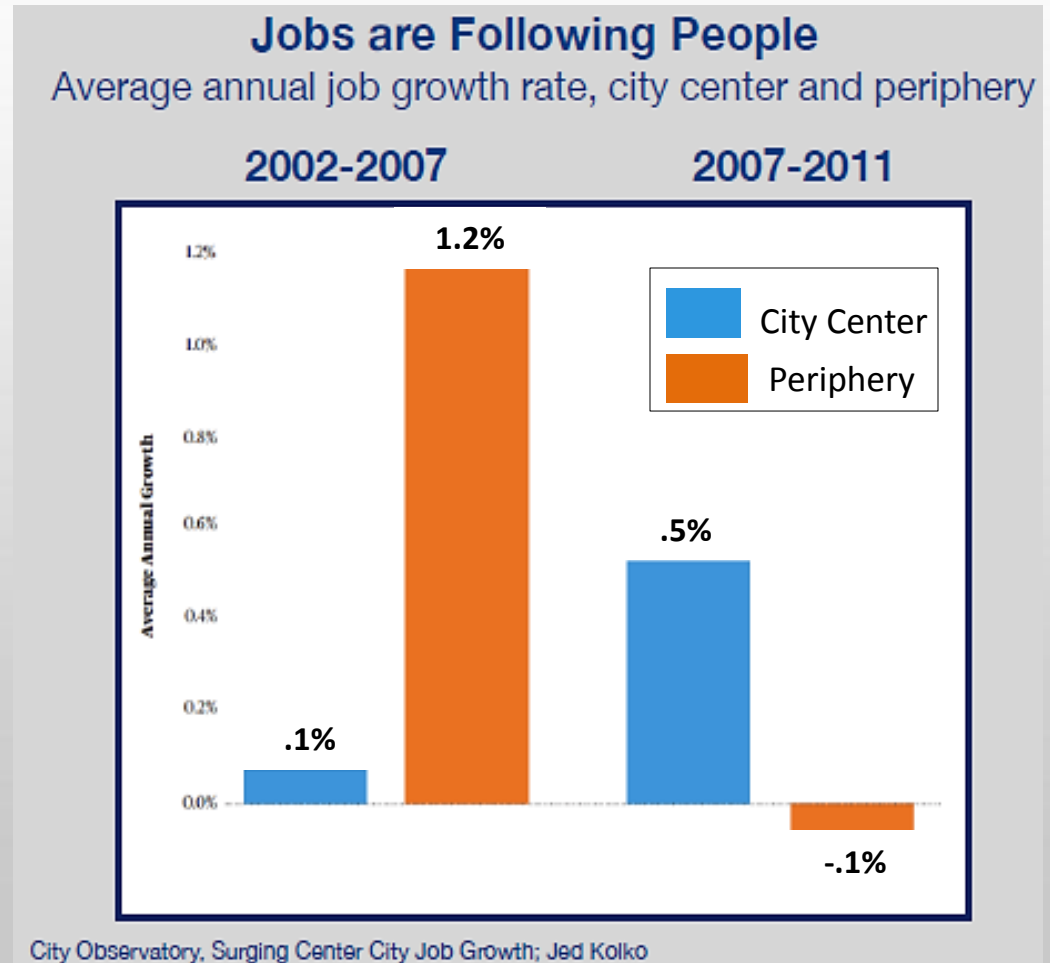
# Urban Cores are talent magnets

- Young, well-educated workers are moving to cities



# Urban Cores are talent magnets

- Jobs are following this talent migration to downtowns



# Poor Transit Connectivity is a Liability

- Cross-county transit networks are weak



# Poor Transit Connectivity is a Liability

- Transit is a key work priority for young talent

## Growing Priority: Access to Public Transit

**39%**

of Millennials said convenient access to public transit is a top priority when buying a home

Compared to:

25% of Gen X

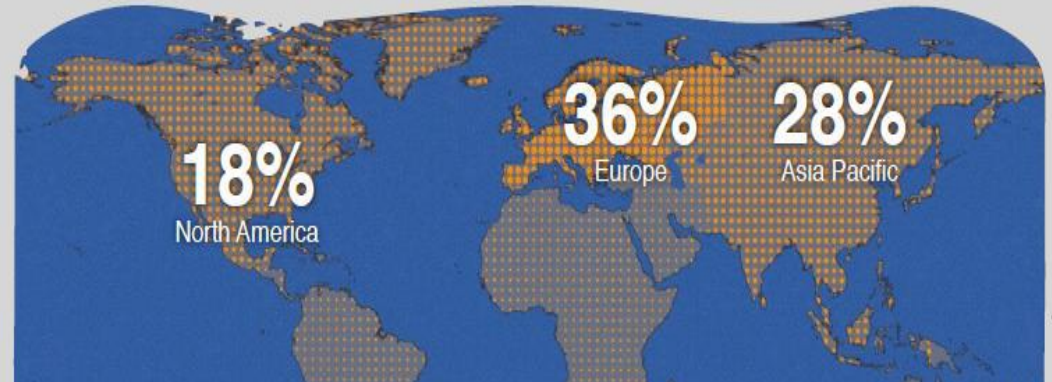
29% of Baby Boomers



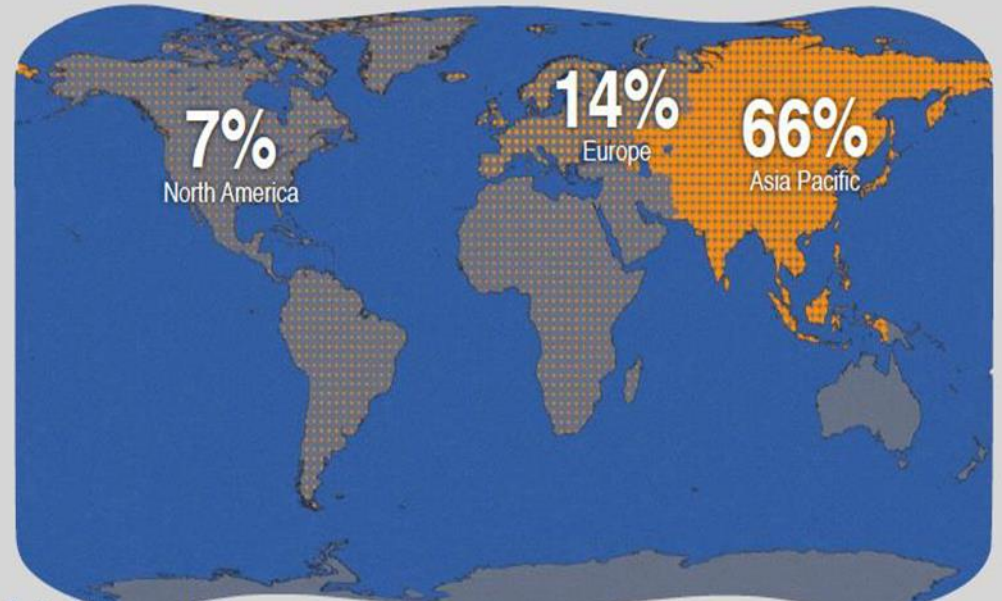
# Global engagement is a local imperative

- Approx. 80 % of growth will be outside the US between 2015 and 2020,
- The middle class is expanding significantly outside of North America

Global Middle Class - 2009 | Share of Global Totals

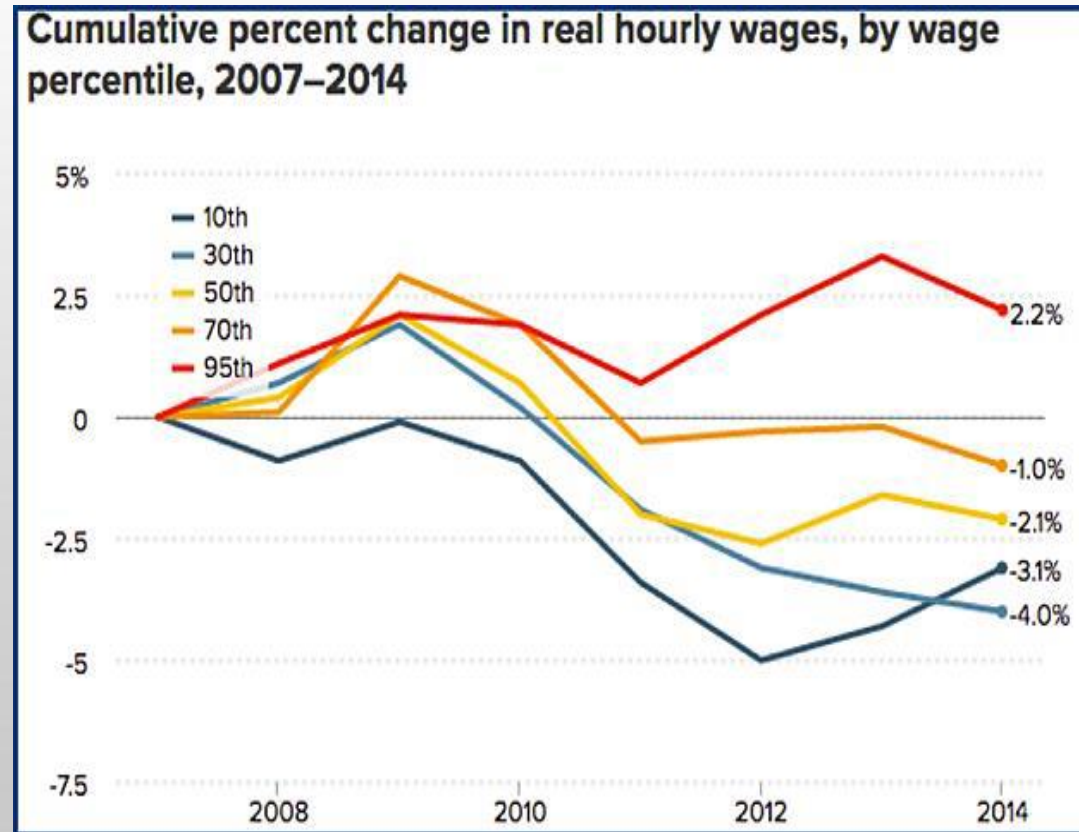


Global Middle Class - 2030 | Share of Global Totals



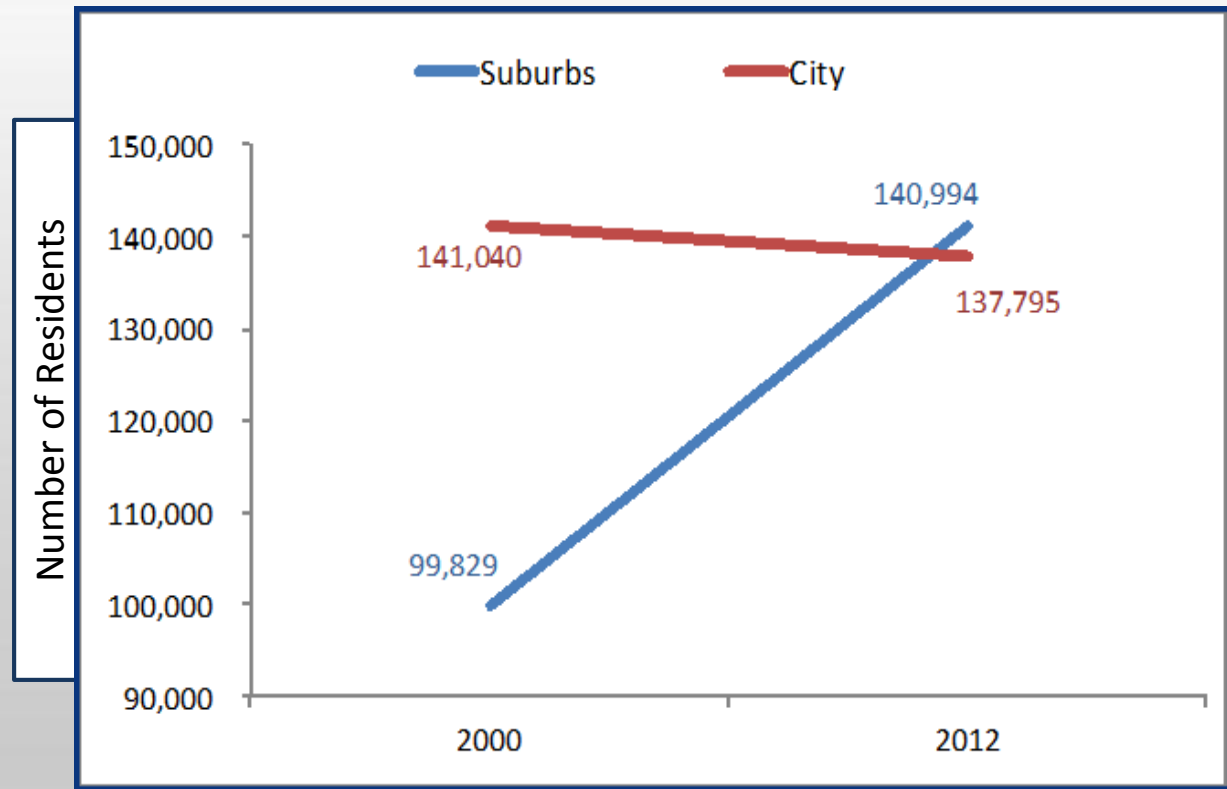
# Economic Gains Have not Been Shared

- Between 2007 and 2014, wages fell for every segment except the top 5%



# Economic Gains Have not Been Shared

- Poverty has grown significantly in the suburbs



Baltimore metropolitan region

# What will drive Howard County's Economic Growth?

- 1. Internal Growth of Our Own Companies**
- 2. Growth Fueled by Innovation**



# Drivers of Howard County's Economic Future: Internal Growth

## Howard County's Middle Market

- Approximately 1,150 scale-up and middle market businesses
  - Focus on professional services and other trade (manufacturing, wholesale trade, information, and finance) industries
  - Businesses with 10-100 employees

	Scaleup		Middle Market		
Industry	(10-19 employees)	Low (20-99 emp.)	Mid (100-249)	High (250-499)	Total Middle Market
PST Services	188	234	41	11	286
Other Traded	308	420	51	13	484
Total	496	654	92	24	770

# Drivers of Howard County's Economic Future: Internal Growth

- **Foster growth in the Cyber Industry**
  - Howard County ranks 1<sup>st</sup> in MD for concentration of IT jobs
- **Stay true to our Farms**
- **Strategically Fund Small Business Growth**
- **Aggressively support global trade initiatives at a local level**

# Drivers of Howard County's Growth: Internal Growth

- Continue to support & market the growth of Downtown Columbia and other commercial hubs like Maple Lawn



## Drivers of Howard County's Growth: Innovation Fueled Growth

- **Reposition Columbia Gateway to become an Innovation District**
- **At over 1,000 acres Gateway is one of the best locations in the Mid-Atlantic**
- **60% of the site is open space and 20% is parking**





# Drivers of Howard County's Growth:



Combine new uses with wired, compact development  
in a pedestrian and bike friendly environment

# Drivers of Howard County's Growth: Innovation Fueled Growth



Create formal and informal social connections

# Drivers of Howard County's Growth: Innovation Fueled Growth



Create an innovation hub fueled by collaboration with  
existing institutions and companies



# Drivers of Howard County's Growth: Innovation Fueled Growth

- A relocated MCE to Gateway could play a key role in fostering collaboration





Questions?